

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY MEXICO

UNCLAS STATE 230356

E.O. 11652: N/A

TAGS: APUB, MX

SUBJ: PRESS RELEASE ON EXIMBANK CREDIT TO MEXICO

FOR YOUR INFORMATION ONLY, FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF \$4,272,400 IN FAVOR OF FABRICAS MONTERREY, S.A. (FAMOSA). RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, THURSDAY, OCTOBER 2, 1975.

QUOTE: EXIMBANK CREDIT OF \$4,272,400 SUPPORTS \$10,681,000 SALE OF U.S

M

EQUIPMENT FOR CAN FACILITY IN MEXICO

TO HELP FINANCE A \$10,681,000 SALE OF U.S. EQUIPMENT AND SERVICES FOR THE FIRST STAGE EXPANSION OF A STEEL AND ALUMINUM CAN PRODUCTION FACIL-

ITY IN TOLUCA, MEXICO, THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF \$4,272,400 IN FAVOR OF FABRICAS

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MONTERREY, S.A. (FAMOSA), OF MEXICO. FOUNDED IN 1936, FAMOSA MANUFAC-

TURES

CROWN AND CREW CAPS, OIL AND MILK CARTONS,
TINPLATE CONTAINERS, AND LITHOGRAPHED TINPLATE
FOR SIGNS, CANS, LINING FOR DRY CELLS.

THE PROJECT INVOLVES THE DESIGN, CONSTRUCTION AND EQUIPPING OF A NEW
CAN PLANT WITH AN ANNUAL CAPACITY OF 400 MILLION CANS PER YEAR.

MEXICO'S

FABRICAS MONTERREY HAS AN AGREEMENT FOR TECHNICAL ASSISTANCE WITH THE
BALL METAL CONTAINER GROUP OF LAKEWOOD, COLORADO. NUMEROUS OTHER U.S.
SUPPLIERS WILL PROVIDE EQUIPMENT FOR THE FACILITY.

THIS TRANSACTION INVOLVES THE SALE OF GOODS AND SERVICES FOR THE
FIRST STAGE OF A PLANNED THREE-STAGE EXPANSION. AS A RESULT OF THEIR
INITIAL INVOLVEMENT, U.S. SUPPLIERS MAY HAVE AN ADVANTAGE OVER FOREIGN

SUPPLIERS IN BIDDING FOR THE FOLLOW-UP BUSINESS OF THE FINAL TWO STAGES

OF EXPANSION.

EXIMBANK'S CREDIT REPRESENTS 40 PERCENT OF THE TOTAL U.S. COSTS. A
CREDIT OF \$3,204,300 FROM THE PRIVATE EXPORT FUNDING CORPORATION OF
NEW YORK, WILL FINANCE 30 PERCENT OF THE U.S. COSTS AND WILL BE COVERED

BY EXIMBANK'S FINANCIAL GUARANTEE. ANOTHER CREDIT OF \$2,136,200 FROM
GIRARD BANK OF PHILA-
DELPHIA, WILL FINANCE 20 PERCENT OF THE TOTAL U.S.
COSTS AND THE BORROWER WILL MAKE A 10 PERCENT CASH PAYMENT REPRESENTING THE BALANCE OF THE U.S. COSTS.

INTEREST ON THE EXIMBANK LOAN OF 8 PERCENT, COMBINED WITH THE INTEREST

RATE FROM PRIVATE SOURCES AT CURRENT RATES WILL RESULT IN A BLENDED
ANNUAL INTEREST COST TO THE BORROWER OF BETWEEN 8.43 PERCENT TO 8.68
PERCENT.

THE LOANS ARE TO BE REPAID IN 16 SEMIANNUAL INSTALLMENTS BEGINNING
JULY 15, 1977. EXIMBANK'S CREDIT IS TO BE REPAID OUT OF A PORTION OF
THE 9TH INSTALLMENT AND ALL OF INSTALLMENTS 10/ THROUGH 16. UNQUOTE.

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